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### **S/OM Requirements on the Reorganization of Industrial Management**

On 1 July 1957, Soviet officials drastically reorganized the structure of their economic managerial apparatus. Most industrial ministries were abolished and the organization for central economic planning was strengthened and given new administrative powers. Over 100 regional centers for economic administration (called economic councils) have been established to carry out the new system of regional management embracing more decentralization in the making of managerial decisions.

In the European Satellites and in Communist China, as in the USSR, there also has been some reorganization of economic management in recent years. This is true, particularly, for East Germany, Poland, and Czechoslovakia.

#### **1. Central Structure**

What have been the changes, since 1956, in the central structure of the Sino-Soviet Bloc governments?

- (1) Changes in the Council of Ministers
- (2) Changes in the ministries, directorates, and committees
- (3) Changes in the State Planning Committee

#### **2. Intermediate regional level**

- A. What new agencies have been established to administer subdivisions of the country, for example, economic regions in the USSR, and districts and counties (Bezirke and Kreise) in East Germany?
- B. What functions have been assigned to these agencies, or what changes in functions have occurred?
- C. Apart from formal assignments, what are the actual responsibilities and functions of these regional subdivisions?
- D. What specific difficulties are these agencies encountering?

#### **3. The management of industrial enterprises**

- A. Have managers of industrial enterprises gained more freedom of action under the reorganization, for example in planning?
- B. Do the managers of enterprises like the new system or organization?
- C. What new powers have the enterprise managers over:
  - (1) Control over production
  - (2) Control over their finances
  - (3) Control over personnel

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4. Labor Management and Unionism

- A. How have the reorganizations affected labor-management relations with respect to recruitment, powers over dismissal?
- B. Have the reorganizations had any effect on labor unions as such? If so, what has been this effect?

5. Economic Planning

- A. What changes have occurred in the planning process as a result of the reorganization?
- (1) How much has central planning been "decentralized" to regional and local levels of government?
  - (2) Which powers over planning are not exercised by regional and local planning groups?
  - (3) In the allocation of planned commodities, which are allocated centrally, and which are allocated regionally, or locally?
- B. Has planning been made any more efficient as a result of the reorganization?

6. Communist Party

- A. What role does the Communist Party play in the reorganization? Have the major decisions been more "political" than "economic"?
- B. Has the Party exercised control or lost power over the economic management and reorganization of the country as a result?

7. Effects of the reorganization

- A. Has the reorganization been more efficient and more effective in the reorganization and the decision-making process? Has the role of the central government been strengthened or weakened? In other words, has management been improved or not?
- (1) Control and management of foreign commerce, distribution, and transportation.
  - (2) Control and management of materials and equipment.
  - (3) Control and management of mining and discipline.
  - (4) Control and management of industrial organizations.